

 <p>Financial Assistance Award</p> <p>DENALI COMMISSION 510 L Street, Suite 410 Anchorage, Alaska 99501 (907) 271-1414 (phone) (907) 271-1415 (fax) www.denali.gov</p>		Award Number	01317-00		
		Award Title	Rural Electric Utility Collaborative - Lower Kuskokwim		
		Performance Period	September 1, 2010 through September 30, 2011		
		Recipient Organization & Address			
Authority 112 Stat 1854	CFDA Number 90.100	Chaninik Wind Group 110 W 15th Ave Ste B Anchorage, AK 99501-5106 Phone: 907-770-6367 Recipient DUNS # 790529346 TIN # 39-2072157			
Denali Commission Finance Officer Certification		Ms. Jennifer Price 09/22/2010			
Cost Share Distribution Table					
Accounting Code	New Funding		Prior Period Funding		Total
	Denali Commission	Other Contributors	Denali Commission	Other Contributors	
95670000	\$173,000.00		\$0.00		\$173,000.00
	\$0.00		\$0.00		\$0.00
	\$0.00		\$0.00		\$0.00
	\$0.00		\$0.00		\$0.00
		\$0.00		\$0.00	\$0.00
		\$0.00		\$0.00	\$0.00
		\$0.00		\$0.00	\$0.00
		\$0.00		\$0.00	\$0.00
		\$0.00		\$0.00	\$0.00
Total	\$173,000.00	\$0.00	\$0.00	\$0.00	\$173,000.00
This Financial Assistance Award approved by the Federal Co-Chair of the Denali Commission constitutes an obligation of federal funding.					
Award Conditions to the Financial Assistance Award between the Denali Commission and Chaninik Wind Group for Rural Electric Utility Collaborative, Award No. 01317 Continued on the following pages.					
Signature of Authorized Official - Denali Commission		Typed Name and Title		Date	
Electronically Signed		Mr. Joel Neimeyer Federal Co-Chair		09/22/2010	

AWARD ATTACHMENTS

Chaninik Wind Group

01317-00

1. Award Conditions - Rural Electric Utility Collaborative

***Award Conditions to the Financial Assistance Award
Between the Denali Commission and Chaninik Wind Group
For Rural Electric Utility Collaborative
Award No. 01317
September 2010***

1. Scope of Work

This project provides funding in the amount of \$173,000 toward determining the feasibility of a rural electric utility collaborative for the Lower Kuskokwim region based on the efforts of the Chaninik Wind Group (CWG). CWG includes membership of the utilities from the communities of Kwigillingok, Kongiganak, Kipnuk, Tuntutuliak and Napakiak. CWG is actively pursuing 501(c)(3) status and in lieu of this designation board resolutions from each community have been retained on file at the Commission. Additionally, the CWG has adopted procurement policies to follow until formal policies have been adopted.

If feasible, the utility collaborative would leverage shared services and comprise an organization of individual community and tribal utilities. The goal is to increase sustainability of community electrical utility investments. Such opportunities may include:

- Combined purchases and shared equipment
- Coordinated work plans
- Coordinated workforce development
- Financial and administrative assistance
- More access to advanced technology

The primary focus will be to reduce costs to customers, increase operational efficiencies and foster new sources of revenue. This project proposes to further these efforts in three fundamental areas, which are:

- Strengthening the operations, maintenance and management capabilities of existing utilities to keep pace with existing and proposed capital investments.
- Increasing long-term efficiency and cost effectiveness of small independent utilities through planning, cooperation and investment.
- Fostering economic development through partnerships, workforce development and lower energy costs.

The Commission is providing funding to execute feasibility studies to determine business practices that may offer such benefits to members of CWG for the stated communities. CWG may consider other communities in the future; however, the scope for this grant is limited to the existing communities.

Project Activities and Budget:

Activity	Funding	CWG	Contracted*	Total
Utility Studies	\$30,000		\$30,000	
Comparative Benefits Study	\$15,000		\$15,000	
Pro Forma Operational Plans	\$8,000		\$8,000	
Multi-year Business Plan for Collaborative Utility	\$20,000		\$20,000	
CWG Project Coordination and Administration	\$14,500	\$14,500		
Travel (CWG/contractors)	\$10,500	\$10,500		
Local Administrative Support	\$50,000	\$50,000		
CWG Administrative Staff	\$25,000	\$25,000		
	TOTALS:	\$100,000	\$73,000	\$173,000

* All RFP's for contracted services will be reviewed and approved by the Denali Commission.

Utility Studies - \$30,000

The contractor will work with CWG to develop a template or survey instrument that will allow them to capture the information desired, conduct site visits and determine individual and combined life cycle costs for operations, maintenance and management of individual utilities and proposed costs for combined operations. These costs would include detailed administrative assessments, rate studies, asset inventories, standardized wage scales for operators and administrative staff, financial management systems, acceptable delinquency rates, R&R assumptions, minimal hours for jobs, and inclusion of level insurance for facility.

Comparative Benefits Study - \$15,000

The contractor will identify appropriate and cost efficient benefits associated with combined operations, comparative minimum and combined service alternatives.

Pro Forma Operational Plans - \$8,000

The contractor will develop pro forma combined management approaches, which will include joint work plans, joint facility and equipment needs for combined operations, as well as, rate schedules, staffing and management needs.

Multiyear Business Plan for Collaborative Utility - \$20,000

The contractor will develop a multi-year work plan for a collaborative utility, with project lists, a budget, an action plan, and a long-term implementation plan. Additionally, develop a list of work force development needs, skill set requirements and job opportunities. A facilitated implementation workshop will be conducted in conjunction with the final presentation.

Project Coordination and Administration - \$14,500

Administration of this grant, both financial and practical, will fall under this category. Specific activities for project coordination and administration include:

- Grant management including quarterly reporting
- Solicit and select contractor for utility studies and business plan
- Write RFP and negotiate scope of work with contractor
- Oversee contractor activity
- Design the survey tool for utility assessments collaboratively with chosen contractor
- Coordinate contractor travel with local administrative personnel
- Review deliverable reports from contractors
- Develop presentations on contractor findings for board and other stakeholders
- Create job description, solicit applications, and hire for administrative staff position

Travel - \$10,500

Travel costs are anticipated to include contractors travel between Anchorage and Bethel and one trip to each identified community to conduct studies and collect data, contractors attendance at a scheduled CWG board meeting to present the completed studies/plans, attendance for a facilitator to conduct a workshop following the CWG board meeting, and travel for utility board member(s) and community member(s) to attend the workshop, as funding allows. CWG will provide travel arrangements and payment on behalf of contractors.

Local Project and Administrative Support - \$50,000

Local Administrative Support persons will support the following activities, to be overseen by one person in each village (5 villages at \$10,000 each).

- Provide a liaison and point of contact between the utility, community, and contractors
- Coordinate access and provide utility data and information to contractors
- Identify housing and help coordinate travel for contractors
- Accompany contractor personnel when conducting visits within village
- Coordinate and attend project meetings

Administrative Staff - \$25,000

- Travel arrangement for CWG staff and contractors
- Coordinate with contractors for construction and grant activities
- Arrange board meetings for purposes of activities included in this grant.
- Provide agendas and minutes for meetings and circulate to members.
- Prepare and submit quarterly reports for Denali Commission grant
- Conduct accounts payable and receivable activities including financial reporting

Total Budget - \$173,000

All Commission funding is intended for use for the scope of work identified in the Award document only. Any balance of funds remaining after the full scope of work has been completed will be returned to the Denali Commission.

2. Milestones

The following milestones are identified as the major steps to be completed as part of the project. “Planned” dates for the first milestone are included here. As part of each progress report, recipients shall update the progress toward meeting these milestones (see section 7, Reporting).

Milestone	Planned		Actual		Units	Total Cost At Completion
	Start Date	End Date	Start Date	End Date		
In Progress	09/01/2010	09/30/2011			0	\$0.00
Project Close-out	10/01/2011	12/31/2011			0	\$0.00

3. Award Performance Period

The Award performance period is September 1, 2010 through September 30, 2011. This is the period during which Award recipients can incur obligations or costs against this Award.

4. Direct and Indirect Costs

The cost principles of OMB A-122 are applicable to this Award. No indirect costs are allowable under this award. Please refer to the cost principles regulations for specific details on other allowable charges under this Award.

5. Budget and Program Revisions

The Administrative Circular, 2 CFR Part 215, applies to this Award. Please refer to the Administrative Circular for specific details on revisions to this Award. The Administrative Circular requires that CWG will inform the Commission in writing (e-mail, letter, or report) at the earliest possible date of any unanticipated project cost overrun, project schedule delays, or changes in the project scope or changed site conditions.

6. Payments

Payments under this Award will be made by electronic transfer in response to a “Request for Advance or Reimbursement”, Standard Form 270 (SF-270) submitted by the CWG. Requests for reimbursements may be made as needed. The SF-270 must be submitted to the Denali Commission via fax, e-mail (finance@denali.gov) or mail in order for payment to be processed. The form is available on the OMB website: http://www.whitehouse.gov/OMB/grants/grants_forms.html. Payments shall be made in accordance with 2 CFR Part 215. Please contact the Denali Commission’s Finance

Specialist at (907) 271-1414 for further information about submitting this form. **No interest will be accrued on these funds.**

7. Reporting

Two forms of project reporting are required under this Award, listed below. CWG shall submit reports using the Denali Commission's on-line Project Database System, available at www.denali.gov. If there are technical limitations which may prevent the recipient from meeting this requirement, please contact the Program Manager listed in this agreement.

- a. **Progress Reports** shall be submitted on a quarterly basis. The first reporting period is September 1, 2010 to December 30, 2010, and quarterly thereafter. Reports are due within 30 days of the end of the reporting period. Progress reports shall include the following:
 - i. Total project funding, including both Denali Commission funding and other project funding sources.
 - ii. The total project expenditures for the project as of the end of the reporting period, including both Denali Commission and Other funding sources.
 - iii. Updated schedule and milestone information as identified in the Scope of Work
 - iv. Narrative summary of the project status and accomplishments to date, and address the following questions: is the project on schedule, is the project on budget, and what actions are planned to address any project problems.
 - v. For minor repair and renovation projects or other non-construction projects, pictures should be provided of before and after, or photos that are representative of the funded activity, to the extent possible. Photos shall be provided in a digital format as part of the on-line report. A short description of the activity and names of those in the photos shall also be provided.
- b. **Federal Single Audits** shall be submitted annually, when required. In accordance with OMB Circular A-133, which requires [subpart 200] "Non-Federal entities that expend \$500,000 or more in a year in Federal awards shall have a single or program-specific audit conducted for that year in accordance with the provisions of this part [subpart 205]. The determination of when an award is expended should be based on when the activity related to the award occurs."

Recipients shall also submit single audits to the Federal Clearinghouse as designated by OMB. Information can be found on the following web-site:
<http://harvester.census.gov/sac/>

8. *Project/Award Close-Out*

The project close-out report shall be completed within 90 days of the end of the Award performance period or within 90 days of the completion of the project, whichever is earlier. Recipients must also draw down any remaining funds for expenditures incurred under this award during this 90-day period.

The project close-out report shall be submitted on-line through the Denali Commission's on-line Project Database System, available at www.denali.gov. The project close out will require the recipient to submit the following information:

- a. Final data for each item listed in paragraph 7(a) "Progress Reports"
- b. Final project expenditures itemized by the following categories: planning & design; materials & equipment; freight; labor; project administration/overhead and other expenses.
- c. Acknowledgement of support: For all non-construction projects, the Award recipient shall include an acknowledgement of the Government's support for the project(s) developed under this Award. The format for acknowledgement of the Government's support for non-construction awards will vary with each award and must be agreed upon between the Award recipient and the Denali Commission Project Manager. Costs associated with this requirement shall be paid out of the project funding received by the Award recipient from the Denali Commission.

9. *Public Policy Laws and Assurances*

Award Recipients are required to comply with the public policy laws and assurances on Standard Form SF 424b. This form must also be signed by a certifying official of the organization. Some of the laws are highlighted below for your reference.

To the maximum extent practicable, considering applicable laws, Funding Recipients shall accomplish the project contemplated by the Award using local Alaska firms and labor.

No portion of this award may be used for lobbying or propaganda purposes as prohibited by 18 U.S.C. Section 1913 or Section 607(a) of Public Law 96-74.

Project level environmental reviews in accordance with the National Environmental Policy Act (NEPA) and the National Historic Preservation Act (NHPA) are required for each project undertaken with Denali Commission funds.

10. *Non-Compliance with Award Conditions*

Recipients not in compliance with the terms and conditions of this Financial Assistance Award will be notified by the Denali Commission. The Denali Commission will work with the recipient to identify the steps necessary to bring them back into compliance, and will establish an appropriate time frame for the corrections to be made. If the corrections

have not been made by the deadline, the Denali Commission reserves the right to either suspend or unilaterally terminate the Financial Assistance Award for non-performance.

11. Program Manager, Financial Manager & Other Contact Information

Denali Commission	Chaninik Wind Group
Denali Daniels Program Manager 510 L Street, Suite 410 Anchorage, AK 99501 Phone: 907-271-1189 Fax: 907-271-1415 E-mail: ddaniels@denali.gov	Dennis Meiners Project Manager 110 W. 15 th Ave, Suite B Anchorage, AK 99501 Phone: 907-770-6367 Fax: 907-677-1886 Email: dennis@iesconnect.net
Betty Sorensen Grants Administrator 510 L Street, Suite 410 Anchorage, AK 99501 Phone: 907-271-3415 Fax: 907-271-1415 E-mail: bsorensen@denali.gov	Ona Brause Financial Contact 110 W. 15 th Ave, Suite B Anchorage, AK 99501 Phone: 907--770-6367 Fax: 907- 677-1886 Email: ona@iesconnect.net

12. Other project specific paragraphs may be added here

In addition to reporting quarterly, CWG shall meet twice annually with the Commission to report lessons learned and project status.